

CHAPTER 22

VALUE-ADDED PRODUCTS OR SERVICES OFFERED BY INSURERS OR INSURANCE PRODUCERS

H.F. 316

AN ACT relating to value-added products or services offered by insurers or producers.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. [Section 507B.4, subsection 2](#), Code 2023, is amended to read as follows:

2. a. For purposes of [subsection 3](#), paragraphs “k”, “l”, and “m”, “personal lines property and casualty insurance” means insurance sold to individuals and families primarily for noncommercial purposes as provided in [chapter 522B](#).

b. For purposes of [subsection 3](#), paragraph “i”, subparagraph (2), subparagraph division (d), “customer” means a policyholder, potential policyholder, certificate holder, potential certificate holder, an insured, potential insured, or an applicant.

Sec. 2. [Section 507B.4, subsection 3](#), paragraph i, subparagraph (2), unnumbered paragraph 1, Code 2023, is amended to read as follows:

~~Nothing in paragraph “g” or subparagraph Subparagraphs (1) of this and (3), and paragraph “i” “g”, shall not be construed as including within the definition of to include any of the following practices in the definition of unfair discrimination or rebates any of the following practices:~~

Sec. 3. [Section 507B.4, subsection 3](#), paragraph i, subparagraph (2), Code 2023, is amended by adding the following new subparagraph division:

NEW SUBPARAGRAPH DIVISION. (d) The offer or provision, at no or reduced cost, by an insurer or producer by or through an employee, affiliate, or third-party representative, of a value-added product or service that is not specified in the policy of insurance if the value-added product or service that is offered or provided meets all of the following criteria:

- (i) The product or service relates to the policy of insurance.
- (ii) The product or service is designed primarily to accomplish at least one of the following:
 - (A) Provide loss mitigation or loss control.
 - (B) Reduce the customer’s claim costs or claim settlement costs.
 - (C) Provide the customer with education regarding liability risks, or the risk of loss to persons or property.
 - (D) Monitor or assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk.

(E) Enhance the customer’s health.

(F) Enhance the customer’s financial wellness through education or financial planning services.

(G) Provide the customer with post-loss services.

(H) Incentivize behavioral changes to improve the health of, or to reduce the risk of death or disability of, a customer.

(I) Assist in the administration of employee or retiree benefit insurance coverage.

(iii) The cost to the insurer or producer offering or providing the product or service to a customer must be reasonable in comparison to the customer’s premiums and insurance coverage for the policy class.

(iv) If the insurer or producer provides the product or service offered, the insurer or producer shall ensure that the customer is provided with contact information for customer service or technical support personnel who can assist the customer with questions regarding the product or service.

(v) The availability of the value-added product or service shall be based on documented objective criteria and the value-added product or service must be offered to all customers in a nondiscriminatory manner. The documented objective criteria shall be maintained by the insurer or producer and provided to the commissioner upon request. If an insurer or producer does not have sufficient documented objective criteria, but has a good-faith belief

that the product or service meets the criteria under subparagraph subdivision (ii), the insurer or producer may offer or provide the product or service in a nondiscriminatory manner to customers as part of a pilot program or a test program for up to one year. Prior to launching the pilot program or test program, the insurer or producer must notify the commissioner. If the commissioner does not object to the pilot program or test program within twenty-one calendar days from the date of notice, the insurer or producer may proceed with the pilot program or test program.

(vi) The commissioner may adopt rules pursuant to [chapter 17A](#) to administer this subparagraph division.

Approved April 27, 2023